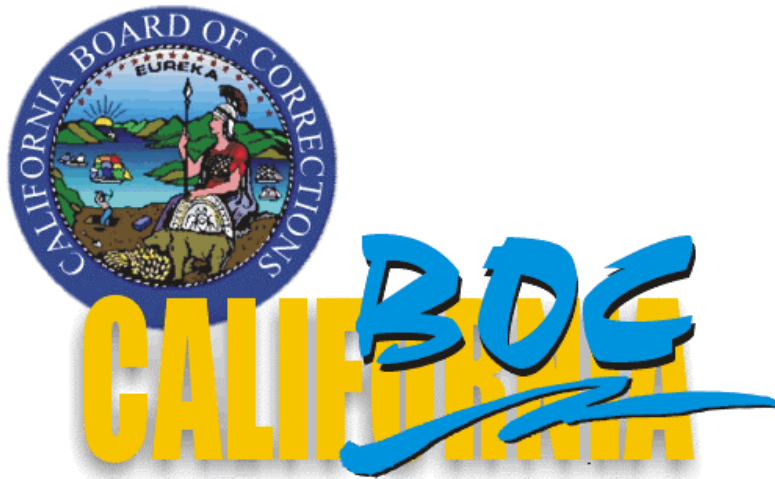


**STATE OF CALIFORNIA
BOARD OF CORRECTIONS
FACILITY STANDARDS AND OPERATIONS DIVISION**

**2000/01 MENTALLY ILL OFFENDER
CRIME REDUCTION GRANT
(MIOCRG)**

Contract Administration and Audit Guide



REVISED July 2001

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**All forms will be available on the Board of Corrections’
web site: bdcorr.ca.gov.**

I. Introduction

A. Purpose of the Manual

This manual is designed to assist counties in the management of their 2000/01 Mentally Ill Offender Crime Reduction Grant (2000/01 MIOCRG) demonstration project pursuant to the requirements of the enabling legislation and the associated contractual and other requirements promulgated by the Board of Corrections (BOC).

II. General Information

A. Board of Corrections

Originally established in 1944 as part of the reorganization of the state prison system, the BOC's focus is now on three areas: the Facilities Standards and Operations Division, which sets minimum standards for health care, programs, procedures, and construction of local juvenile and adult detention facilities and which administers the Mentally Ill Offender Crime Reduction Program; the Standards and Training for Corrections Division, which establishes selection criteria and training standards for local probation and corrections officers and provides financial assistance to participating counties and cities meeting those standards; and the Corrections Planning and Programs Division, which administers and evaluates various grant programs administered by the BOC.

B. Facilities Standards and Operations Division

The Facilities Standards and Operations Division (FSOD) administers the Mentally Ill Offender Crime Reduction Grant Program. In addition, FSOD establishes and updates minimum standards for juvenile and adult detention facilities; inspects local detention facilities and assists agencies in their efforts to remain in compliance with minimum standards; reviews and analyzes all architectural plans for new facility construction; administers the Jail Profile and Juvenile Detention Profile Surveys; and administers the Juveniles in Jails Removal/Compliance Monitoring Program.

III. The 2000/01 Mentally Ill Offender Crime Reduction Grant Program

The Legislature established the Mentally Ill Offender Crime Reduction Grant (MIOCRG) Program to encourage and support the implementation of locally developed strategies for reducing the rate of crime, jail crowding and criminal justice costs associated with mentally ill offenders. Senate Bill 1485 (Chapter 501, Statutes of 1998) defined the program's goals and requirements (Appendix A). SB 2108 (Chapter 502, Statutes of 1998) provided \$27 million dollars to the BOC to implement and administer the program. The FY 1999/2000 State Budget Act (Chapter 50, Statutes of 1999) provided an additional \$27 million dollars for MIOCRG

demonstration projects. The 2000/01 State Budget allocated an additional \$50 million for the expansion of the MIOCRG Program.

SB 1485 stipulates that grant eligibility is contingent upon a county establishing a Strategy Committee chaired by the Sheriff or County Department of Corrections Director. At a minimum, this Committee must include the chief probation officer, the county mental health director, a superior court judge, representatives of a local law enforcement agency and mental health provider organization, and a client of a mental health treatment facility. The Strategy Committee is responsible for developing the county's local plan, which must identify the needs in the present system, the proposed goals for providing a cost-effective continuum of responses to mentally ill offenders, the roles of collaborations and/or partners in achieving those goals, and the specific outcome and performance measures for evaluating the effectiveness of the project.

In September 2000, in consultation with the State Department of Mental Health and State Department of Alcohol and Drug Programs, the BOC awarded non-competitive planning grants to all applicant counties for the development of a local plan outlining their response to mentally ill offenders. In March 2001, the BOC received 24 applications with accompanying local plans from 23 counties (one county submitted two proposals) competing for available demonstration grant funds.

In May 2001, following a competitive Request for Proposal process, the BOC will award the remainder of the 2000/01 appropriation (less administrative costs incurred by the BOC) to counties for demonstration projects.

The BOC is responsible for monitoring project implementation and reporting to the Legislature on the status and effectiveness of the funded programs (see Appendix A).

IV. Precontractual Requirements

It is recommended that county representatives attend workshops conducted by BOC staff to assist Grantees in the development of contract documents and program implementation. It is important for county personnel to work closely with assigned BOC staff throughout the precontractual process, both when writing information contained in Exhibit C and when completing other grant documents. It is also advised that a draft of the Fiscal Summary and Program Evaluation Summary (which will be attached and become a part of Exhibit C) be submitted for review prior to submittal of the final documents. Specific BOC staff will be assigned to counties to assist in the contract development process and throughout the implementation period.

V. Contractual Requirements

A. General

Grant contracts with 2000/01 MIOCRG counties are contingent upon BOC approval of a State of California Standard Agreement containing the following:

1. Exhibit A, which includes all BOC grant contract requirements.
2. Exhibit B, nondiscrimination clause; and,
3. Exhibit C, which is the counties' proposal, the Program Evaluation Survey and the Fiscal Summary.

The grant contract must also include the identification of the county's 2000/01 MIOCRG project manager and financial officer, as well as program evaluation personnel (in Exhibit C).

Four copies of the contract must be submitted to the BOC, each with the original signature of the Sheriff or the person authorized to sign for the county. When the contract has been approved and processed by the state, the county may submit its first invoice following the end of the first quarter of the contract period. Allow 30 days for processing time and approval.

B. Budget/Program Modifications (Appendix C)

No substantial change or modification in the project will be permitted without prior written approval from BOC staff. Substantial changes are those affecting the design or scope of the project; compliance with the agreed-upon program evaluation component and collection of data elements; individual budget line item changes over ten percent (10%); and other significant program components addressed in the proposal or contained in the grant contract.

Substantial modification requests shall be submitted to BOC staff upon approval by the county's Project Manager. Upon receipt of a Budget/Program Modification request (Form MIOCRG002), BOC staff will respond to the Project Manager with its approval/disapproval within 30 days. Substantial changes shall not be implemented by the county until authorized to do so by BOC staff.

Minor changes, such as changes in personnel, dates and times of service delivery, and budget line item changes of up to ten percent (10%) of the individual line items identified in the Fiscal Summary (Exhibit C) may be executed by the county without prior approval from BOC staff. However, notification of minor modifications must be submitted with the next regularly scheduled financial invoice and Semi Annual Progress Report.

Under no circumstances will any budget line item changes be authorized which would cause the project to exceed the amount of the grant award identified in the state Standard Agreement. Further, in no event shall line item changes be authorized for

the Administrative Overhead line item which would cause state funds in that line item to exceed ten percent (10%) of the grant award.

C. Contract Amendments (Appendix D)

The grant contract may be amended upon agreement of both parties. Proposed grant contract amendments should be discussed with BOC staff and must be submitted in writing in the approved format.

D. Submittal of Invoices (Appendix E)

Grantees must submit invoices to the BOC each quarter using Form MIOCRG004 (Appendix E), which reflects state and matching fund expenditures as well as the total program expenses incurred during the reporting period, invoices previously submitted, and payments made. Four copies must be submitted to the BOC, each with original signatures of the person preparing the report, the project financial officer, and the county project manager. The county certifies that the report is accurate and was prepared in accordance with BOC's regulations, policies, and procedures; that the report reflects actual expenditures; and that all funds were expended for the purpose of liquidating obligations legally incurred.

The quarterly financial invoice must be submitted within 45 calendar days after the end of the fiscal quarter. The due dates for the invoices are no later than:

Reporting Period			Due Date
July 1, 2001	-	September 30, 2001	November 15, 2001
October 1, 2001	-	December 31, 2001	February 15, 2002
January 1, 2002	-	March 31, 2002	May 15, 2002
April 1, 2002	-	June 30, 2002	August 15, 2002
July 1, 2002	-	September 30, 2002	November 15, 2002
October 1, 2002	-	December 31, 2002	February 15, 2003
January 1, 2003	-	March 31, 2003	May 15, 2003
April 1, 2003	-	June 30, 2003	August 15, 2003
July 1, 2003	-	September 30, 2003	November 15, 2003
October 1, 2003	-	December 31, 2003	February 15, 2004
January 1, 2004	-	March 31, 2004	May 15, 2004
April 1, 2004	-	June 30, 2004	August 15, 2004

Failure to submit Quarterly Financial Invoices in a timely manner could result in payments being withheld. The date the correct invoice with all county signatures is received by the BOC determines if the invoice is timely. Should there be continuing issues with late or inaccurate submittal of invoices, the BOC may choose to withhold funds or portions thereof. The remaining ten percent (10%) of funds shall be withheld until such time as the BOC has received all quarterly financial reports, semi-annual

progress reports, final project summary report and the final audit are received from the county.

1. Eligible Project Costs:

The following costs are eligible for reimbursement by the state or can be claimed as match:

- a) Salaries and benefits of county employees or public or private contract employees directly involved in the delivery of direct services associated with the project;
- b) Services and supplies directly associated with the project;
- c) In-state travel for county employees, volunteers, and student interns, in accordance with county travel policy, necessary for the success of the project;
- d) Professional or consultant services, including services provided by community-based organizations, and other charges necessary for the delivery of direct services associated with the project;
- e) Fixed assets purchased with state funds (vs. match), up to \$1,000 per item, that are necessary for the delivery of services directly associated with the project;
- f) Lease payments for equipment, including vehicles, office space, automation and reprographic equipment, and other items necessary for the delivery of direct services associated with the project; and
- g) Operational overhead, indirect and administrative costs necessary for the success of the project up to a maximum of ten percent (10%) of the total grant award. Counties must maintain documentation supporting charges to the grant for this purpose.

In cases where a county has not claimed overhead cost for reimbursement with State funds, or where the actual cost or cost allocation plan of the county for administrative overhead exceeds 10% of the grant award, the county may, with appropriate supporting documentation, use the excess amount as match. BOC staff may review the documentation during site and monitoring visits.

2. Ineligible Project Costs:

Examples of ineligible costs include, but are not limited, to:

- a) Site acquisition and/or construction costs associated with the project;
- b) Fixed assets purchased with State funds, including vehicles, computer equipment, furniture, reprographic equipment, and other items over \$1,000 per item unless a written declaration is made by the Project Manager and approved in writing by the BOC that provides the following assurances:
 - 1) The fixed asset to be purchased is to be used for services directly associated with the project;
 - 2) The fixed asset to be purchased is essential to the success of the project;
 - 3) That lease and rental options of the fixed asset have been thoroughly investigated;
 - 4) That the purchase of the fixed asset is less expensive than leasing or renting it for the grant period; and
 - 5) That title to any fixed asset purchased with state funds will vest in the state and that the equipment will be returned to the state at the end of the grant period, if requested by the BOC.
- c) Supplanting existing programs, projects, or personnel;
- d) Personal injury compensation or damages arising out of or connected with the project, whether determined by adjudication, arbitration, negotiation, or otherwise;
- e) Fines and penalties due to violation of or failure to comply with federal, state, or local laws and ordinances;
- f) Any costs outside the scope of the approved project;
- g) Interest on bonds or any other form of indebtedness required to finance project costs;
- h) All costs incurred in violation of the terms, provisions, conditions, or commitments of this grant contract;
- i) All costs arising out of or attributable to Grantee's malfeasance, misfeasance, mismanagement, or negligence;
- j) All costs arising out of or connected with contractor claims against the Grantee, or those persons for whom the Grantee may be vicariously liable, including, but not limited to, any and all costs related to defense or settlement of such claims;
- k) Criminal justice activities that are not directly related to the approved project;

- l) The use of grant funds to “buy-out” unused sick leave, vacation/administrative leave time not accrued during the grant period. Grant funds may only be used to “buy-out” any period of time an employee was assigned to the 2000/2001 MIOCRG Program and paid with grant and/or matching funds;
- m) Use of grant funds for out-of-state travel and per diem; and,
- n) Any costs incurred before the grant starting or ending date.

3. Match

Counties shall be responsible for all match contributions contained in Exhibit C. To qualify as match, local expenditures must be for the project funded by the Board and must be made after July 1, 2001. Match cannot be derived from State of California General Funds or programs supported by those funds.

Expenditures eligible as match shall include those for:

- a) Salaries and benefits of county employees or public or private contract employees directly involved in the delivery of direct services associated with the project;
- b) Services and supplies for public or private organizations necessary to deliver services directly associated with the project;
- c) In-state travel for county employees, volunteers, and student interns, in accordance with county travel policy necessary for the success of the project;
- d) Professional or consultant services, including services provided by community-based organizations, required audits, and other charges necessary for the delivery of services directly associated with the project;
- e) Fixed assets that are necessary for the delivery of direct services associated with the project;
- f) Lease payments for equipment, including vehicles, office space, automation and reprographic equipment, and other items necessary for the delivery of services directly associated with the project, and;
- g) Operational overhead, indirect and administrative costs necessary for the success of the project. In cases where a county has not claimed overhead costs for reimbursement with State funds, or where the actual cost or cost allocation plan of the county for administrative overhead is in excess of 10% of the grant

award, the county may, with appropriate supporting documentation, use the excess or non-reimbursed amount as match.

4. Interest Income (*When applicable*)

The county is required to report any interest income earned from grant funds to the Board on 2000/01 MIOCRG Interest Income form (Appendix H). The county can request authorization from the Board to use funds derived from interest for program specific activities and those whose request is denied are required to return the funds to the Board within 90 days of the grant ending date. Any funds returned must include interest equal to the rate of the State Pooled Money Investment Account.

E. Semi-Annual Progress Reports (Appendix F)

The county must submit semi-annual progress reports to the BOC on the appropriate form (MIOCRG005) during the term of this grant contract. The reports shall include, but not be limited to, a review of progress on all programs in the project, the number of individuals served in each program, project modifications during the reporting period, specific statistical data regarding program variables, and outcomes measured, including specified program evaluation data collected during the reporting period, invoices submitted, and payments made. The county is required to submit semi-annual progress reports to the BOC according to the following schedule:

Reporting Period		Due Date
July 1, 2001	- December 31, 2001	March 15, 2002
January 1, 2002	- June 30, 2002	September 15, 2002
July 1, 2002	- December 31, 2002	March 15, 2003
January 1, 2003	- June 30, 2003	September 15, 2003
July 1, 2003	- December 31, 2003	March 15, 2003
January 1, 2004	- June 30, 2004	September 15, 2004

The first semi-annual report should be submitted on the first due date, listed above, following approval of the county's grant contract with the BOC. If a due date falls on a weekend, the report must be postmarked no later than the scheduled date for submission. Failure to submit these reports in a timely manner could result in quarterly payments being withheld. Should there be continuing issues with inaccurate or late submittal of semi-annual progress reports, the BOC may choose to withhold funds or portions thereof. The remaining ten percent (10%) of funds shall be withheld until such time as we have received all quarterly financial reports, semi-annual progress reports, the final project summary and the final audit from the county.

F. Final Project Summary Report

The Final Project Summary Report shall be submitted to the BOC within 90 calendar days of the grant contract ending date. The report shall describe the finished project in detail, include program evaluation outcomes, and provide appropriate data and supporting material suitable for public distribution in a format to be determined by the BOC.

For each program implemented as part of a county's 2000/01 MIOCRG demonstration project, the final report shall describe the following in sufficient detail to permit replication of the research by other interested parties: 1) research subjects; 2) research design (including identification and method of assignment of research subjects); 3) nature and extent of treatment interventions (for both control and treatment groups); 4) program evaluation measures; 5) all other dependent and independent measures; and 6) data analysis procedures. The format of the reports shall include the following sections: 1) background information; 2) the statement and underlying rationale of hypotheses tested; 3) methodology; 4) results; 5) discussion; and 6) summary and conclusions.

VI. Record Keeping

A. Records

The county shall establish an official file for this project. The file shall contain adequate documentation of all actions that have been taken with respect to the project, in accordance with generally accepted government accounting principles. The official file must be maintained in a central location or at a minimum be readily accessible for examination by the Board, or any authorized representative.

1. The county must establish separate accounting records for receipt, deposit, and disbursement of all grant funds as specified in Article 9 of Exhibit A.
2. The county shall maintain books, records, documents and other evidence sufficient to reflect properly the amount, receipt, and disposition of all project funds, including BOC grant funds and any matching funds of the county, and the total cost of the project. The maintenance requirements extend to books of original entry, source documents supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, cancelled checks, and related documents and records. Source documents include copies of all awards, applications, and required financial and narrative reports. Personnel and payroll records shall include the time and attendance reports for all individuals reimbursed under the award, whether they are employed full-time or part-time. Time and effort reports are also required for consultants and contractors. Supporting documentation for matching funds, goods or services shall, at a minimum, include the source of the match, the basis upon which the value of the match was calculated, and when the matching funds, goods, or services were provided.

Receipts, signed by the recipient of donated goods and/or services should be issued and a copy retained.

B. Accounting and Audit Requirements

All funds received by the county shall be deposited into separate fund accounts that identify the funds and clearly show the manner of their disposition. The county agrees that audit and accounting procedures shall be in accordance with generally-accepted government accounting principles and practices (see Accounting Standards and Procedures for Counties, California State Controller, Division of Local Government Fiscal Affairs), and adequate supporting documentation shall be maintained in such detail so as to provide an audit trail which will permit tracing transactions from the invoices to the financial statement, to the accounting records, and to the supporting documentation. Counties also agree to comply with all audit requirements outlined in Appendix J of the 2000/01 Mentally Ill Offender Crime Reduction Grant Program Contract Administration and Audit Guide.

The county further agrees to the following audit requirements:

1. Prepayment Audit: Prior to the deposit of grant funds into the separate account, the BOC may require the county to have a system audit performed by an auditor.
2. Interim Audit: The BOC reserves the right to call for an audit or compliance review (at the BOC's expense) at any time between the execution of this grant contract and the completion or termination of the project. At any time, the BOC may disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action determined to be not in compliance with the terms and conditions of this grant contract, or take other remedies legally available; and,
3. Final Audit (see Appendix J): Counties are required to submit a final audit report to the BOC within 120 days of the grant ending date.

The BOC also reserves the right to call for a final audit (at the BOC's expense). Any county selected by the BOC for a final audit would not need to conduct its own audit.

VII. Project Monitoring

A. Programmatic

BOC staff will regularly monitor the administration of the 2000/01 MIOCRG demonstration projects. The purpose of this monitoring process is to assess compliance and determine that the project is operating in accordance with the

approved application, grant contract regulations and the law and to provide technical assistance, as needed.

B. Auditing

The state may audit all of a county's accounting records that relate to the administration of the grant. The state will recover any improper expenditure disclosed in such audits through withholding future payments and/or repayment by the county at the discretion of the BOC. Any grant funds so remitted to the BOC shall include interest equal to the rate of the State Pooled Money Investment Account.

C. Access to Project Activities, Site(s), and Records

Project monitoring, with reasonable notice, will be accomplished through on-site visits by BOC staff. Access to the project staff, activities, site(s), county project files, and contractors' records must be provided to BOC staff or any authorized representative during all phases of program implementation pursuant to the grant contract.

APPENDICES

LEGISLATION SB 1485

BILL NUMBER: SB 1485 CHAPTERED
BILL TEXT

CHAPTER 501
FILED WITH SECRETARY OF STATE SEPTEMBER 15, 1998
APPROVED BY GOVERNOR SEPTEMBER 15, 1998
PASSED THE SENATE AUGUST 30, 1998
PASSED THE ASSEMBLY AUGUST 27, 1998
AMENDED IN ASSEMBLY AUGUST 21, 1998
AMENDED IN ASSEMBLY JULY 8, 1998
AMENDED IN SENATE MAY 5, 1998
AMENDED IN SENATE APRIL 1, 1998

INTRODUCED BY Senator Rosenthal
 (Principal coauthor: Senator Rainey)
 (Coauthor: Senator McPherson)
 (Coauthors: Assembly Members Hertzberg, Migden, Papan,
Strom-Martin, Sweeney, and Thomson)

FEBRUARY 4, 1998

An act to add and repeal Article 4 (commencing with Section 6045) of Chapter 5 of Title 7 of Part 3 of the Penal Code, relating to mentally ill criminal offenders.

LEGISLATIVE COUNSEL'S DIGEST

SB 1485, Rosenthal. Mentally ill offender crime reduction grants.

Under existing law, it is the duty of the Board of Corrections to make a study of the entire subject of crime, with particular reference to conditions in the State of California, including causes of crime, possible methods of prevention of crime, methods of detection of crime, and apprehension of criminals, methods of prosecution of persons accused of crime, and the entire subject of penology, including standards and training for correctional personnel, and to report its findings, its conclusions and recommendations to the Governor and the Legislature as required.

This bill would require, until January 1, 2005, the Board of Corrections to administer and award mentally ill offender crime reduction grants on a competitive basis to counties that expand or establish a continuum of swift, certain, and graduated responses to reduce crime and criminal justice costs related to mentally ill offenders. The bill would require the board, in consultation with the State Department of Mental Health and the State Department of Alcohol and Drug Programs, to create an evaluation design for the grant program that will assess the effectiveness of the program in reducing crime, the number of early releases due to jail overcrowding, and local criminal justice costs, and would require the board to submit annual reports to the Legislature based on the evaluation design. The bill would require funding for the program to be provided, upon appropriation by the Legislature, in the annual Budget Act.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature hereby finds and declares all of the following:

(a) County jail inmate populations nearly doubled between 1984 and 1996, from 43,000 to 72,000. Court-ordered population caps have affected 25 counties and represent 70 percent of the average daily population in county jails. As a result of these caps and a lack of bed space, more than 275,000 inmates had their jail time eliminated or reduced in 1997.

(b) An estimated 7 to 15 percent of county jail inmates are seriously mentally ill. Although an estimated forty million dollars (\$40,000,000) per year is spent by counties on mental health treatment within the institution, and that figure is rising rapidly, there are few treatment and intervention resources available to prevent recidivism after mentally ill offenders are released into the community. This leads to a cycle of rearrest and reincarceration, contributing to jail overcrowding and early releases, and often culminates in state prison commitments.

(c) The Pacific Research Institute estimates that annual criminal justice and law enforcement expenditures for persons with serious mental illnesses were between one billion two hundred million dollars (\$1,200,000,000) and one billion eight hundred million dollars (\$1,800,000,000) in 1993-94. The state cost in 1996-97 to incarcerate and provide mental health treatment to a seriously mentally ill state prisoner is between twenty-one thousand nine hundred seventy-eight dollars (\$21,978) and thirty thousand six hundred ninety-eight dollars (\$30,698) per year. Estimates of the state prison population with mental illness ranges from 8 to 20 percent.

(d) According to a 1993 study by state mental health directors, the average estimated cost to provide comprehensive mental health treatment to a severely mentally ill person is seven thousand dollars (\$7,000) per year, of which the state and county cost is four thousand dollars (\$4,000) per year. The 1996 cost for integrated mental health services for persons most difficult to treat averages between fifteen thousand dollars (\$15,000) and twenty thousand dollars (\$20,000) per year, of which the state and county costs are between nine thousand dollars (\$9,000) and twelve thousand dollars (\$12,000) per person.

(e) A 1997 study by the State Department of Mental Health of 3,000 seriously mentally ill persons found that less than 2 percent of the persons receiving regular treatment were arrested in the previous six months, indicating that crimes and offenses are caused by those not receiving treatment. Another study of 85 persons with serious mental illness in the Los Angeles County Jail found that only three of the persons were under conservatorship at the time of their arrest, and only two had ever received intensive treatment. Another study of 500 mentally ill persons charged with crimes in San Francisco found that 94 percent were not receiving mental health treatment at the time the crimes were committed.

(f) Research indicates that a continuum of responses for mentally ill offenders that includes prevention, intervention, and incarceration can reduce crime, jail overcrowding, and criminal justice costs.

(g) Therefore, it is the intent of the Legislature that grants shall be provided to counties that develop and implement a comprehensive, cost-effective plan to reduce the rate of crime and offenses committed by persons with serious mental illness, as well as

reduce jail overcrowding and local criminal justice costs related to mentally ill offenders.

SEC. 2. Article 4 (commencing with Section 6045) is added to Chapter 5 of Title 7 of Part 3 of the Penal Code, to read:

Article 4. Mentally Ill Offender Crime Reduction Grants

6045. The Board of Corrections shall administer and award mentally ill offender crime reduction grants on a competitive basis to counties that expand or establish a continuum of swift, certain, and graduated responses to reduce crime and criminal justice costs related to mentally ill offenders, as defined in paragraph (1) of subdivision (b) and subdivision (c) of Section 5600.3 of the Welfare and Institutions Code.

6045.2. (a) To be eligible for a grant, each county shall establish a strategy committee that shall include, at a minimum, the sheriff or director of the county department of corrections in a county where the sheriff is not in charge of administering the county jail system, who shall chair the committee, representatives from other local law enforcement agencies, the chief probation officer, the county mental health director, a superior court judge, a client of a mental health treatment facility, and representatives from organizations that can provide, or have provided, treatment or stability, including income, housing, and caretaking, for persons with mental illnesses.

(b) The committee shall develop a comprehensive plan for providing a cost-effective continuum of graduated responses, including prevention, intervention, and incarceration, for mentally ill offenders. Strategies for prevention and intervention shall include, but are not limited to, both of the following:

(1) Mental health or substance abuse treatment for mentally ill offenders who have been released from law enforcement custody.

(2) The establishment of long-term stability for mentally ill offenders who have been released from law enforcement custody, including a stable source of income, a safe and decent residence, and a conservator or caretaker.

(c) The plan shall include the identification of specific outcome and performance measures and a plan for annual reporting that will allow the Board of Corrections to evaluate, at a minimum, the effectiveness of the strategies in reducing:

(1) Crime and offenses committed by mentally ill offenders.

(2) Criminal justice costs related to mentally ill offenders.

6045.4. The Board of Corrections, in consultation with the State Department of Mental Health, and the State Department of Alcohol and Drug Programs, shall award grants that provide funding for four years. Funding shall be used to supplement, rather than supplant, funding for existing programs and shall not be used to facilitate the early release of prisoners or alternatives to incarceration. No grant shall be awarded unless the applicant makes available resources in an amount equal to at least 25 percent of the amount of the grant. Resources may include in-kind contributions from participating agencies. In awarding grants, priority shall be given to those proposals which include additional funding that exceeds 25 percent of the amount of the grant.

6045.6. The Board of Corrections, in consultation with the State Department of Mental Health and the State Department of Alcohol and Drug Programs, shall establish minimum standards, funding schedules, and procedures for awarding grants, which shall take into consideration, but not be limited to, all of the following:

(a) Percentage of the jail population with severe mental illness.

(b) Demonstrated ability to administer the program.

(c) Demonstrated ability to develop effective responses to provide treatment and stability for persons with severe mental illness.

(d) Demonstrated history of maximizing federal, state, local, and private funding sources.

(e) Likelihood that the program will continue to operate after state grant funding ends.

6045.8. The Board of Corrections, in consultation with the State Department of Mental Health and the State Department of Alcohol and Drug Programs, shall create an evaluation design for mentally ill offender crime reduction grants that will assess the effectiveness of the program in reducing crime, the number of early releases due to jail overcrowding, and local criminal justice costs. Commencing on June 30, 2000, and annually thereafter, the board shall submit a report to the Legislature based on the evaluation design, with a final report due on December 31, 2004.

6045.9. This article shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2005, deletes or extends that date.

6046. Funding for mentally ill offender crime reduction grants shall be provided, upon appropriation by the Legislature, in the annual Budget Act. It is the intent of the Legislature to appropriate twenty-five million dollars (\$25,000,000) for the purposes of Mentally Ill Offender Crime Reduction Grants in the 1999-2000 fiscal year, subject to the availability of funds. Up to 5 percent of the amount appropriated in the budget may be available for the board to administer this program, including technical assistance to counties and the development of an evaluation component.

APPENDIX B

State of California

ORDER FORM

Form MIOCRG001 (Rev.7/01)

Board of Corrections

Facilities Standards and Operations Division

00/01 Mentally Ill Offender Crime Reduction Grant Program (MIOCRG)

Forms are available at www.bdcorr.ca.gov

Quantity Requested:

Date Requested:

☐

2000/01 MIOCRG Contract Administration and Audit Guide

☐

2000/01 MIOCRG Contract Standard Conditions (Exhibit A)

☐

2000/01 MIOCRG Program Evaluation Survey

☐

2000/01 Order Form - Form MIOCRG 001

☐

2000/01 Budget/Program Modification - Form MIOCRG002

☐

2000/01 Contract Amendment Request - Form MIOCRG 003

☐

2000/01 Quarterly Financial Invoice - Form MIOCRG 004

☐

2000/01 Semi-Annual Progress Report - Form MIOCRG 005

Return Requested Forms To:

Name:

Title:

Agency:

County:

Address:

City:

Zip:

Telephone:

Mail to:

Board of Corrections
Facilities Standards and Operations Division
600 Bercut Drive, Suite A
Sacramento, California 95814-0815
(916) 445-5073

APPENDIX C

State of California Corrections BUDGET/PROGRAM MODIFICATION Form MIOCRG 002 (Revised 07/01)	Board of Facilities Standards and Operations Division 00/01 Mentally Ill Offender Crime Reduction Grant (MIOCRG)
--	--

A. County: _____ Contract Number: _____
 Grant Dates: From / / To / / Modification Number: _____

B. Line Items	Current Allocation			Proposed Changes (+/-)			Revised Allocation
	<i>State Funds</i>	<i>Hard Match</i>	<i>In Kind Match</i>	<i>State Funds</i>	<i>Hard Match</i>	<i>In Kind Match</i>	
Salaries and Benefits							
Services and Supplies							
Professional Services							
CBO Contracts							
Administrative Overhead							
Fixed Assets							
Other							
Grand Total							

Justification for Budget Modification (attach additional pages if necessary)

C. Design or Scope of Project Modifications and Justification (attach additional pages if necessary)

APPENDIX C

D. Program Evaluation Modification and Justification (attach additional pages if necessary)

Person Preparing Report

Project Financial Officer

Project Manager

Signature

Signature

Signature

Name

Name

Name

Title

Title

Title

Address

Date

Date

Telephone

Telephone

Telephone

For Board of Corrections use only

Date

Approved:

Date: _____

Telephone

Board of Corrections Representative

Instructions

Fill this form out completely, showing the currently approved budgeted amounts for each Budget Category Line Item; the dollar amount being added to or deducted from each category; and the new totals. If there is no change in a particular category show a "0". Please explain the reason(s) for the budget modification.

If a design or scope of project modification, or if program evaluation component modifications are being requested please provide an explanation of the requested modification and the justification for the request.

This form shall be signed by the person preparing the modification request, the Project Financial Officer, and the Project Manager. **The form should be submitted in quadruplicate to the Board of Corrections** for approval pursuant to the instructions contained in the *Mentally Ill Offender Crime Reduction Grant, Contract Administration Policies and Procedures Manual for Counties* Section V. Contractual Requirements, subsection B. Budget/Program Modifications (Page 5).

APPENDIX D

State of California

Board of Corrections

CONTRACT AMENDMENT REQUEST

**Facilities Standards and
Operations Division**

Form MIOCRG 003 (Revised 07/01)

00/01 Mentally Ill Offender Crime Reduction Grant (MIOCRG)

A. County: _____ Contract Number: _____

Grant Dates: From / / To / / Amendment Number: _____

B. Section of contract to be considered for amendment:

C. Justification for amendment (use additional pages as necessary):

D. Requested specific contract language (use additional pages as necessary):

PERSON PREPARING REQUEST PROJECT FINANCIAL OFFICER

PROJECT MANAGER

Signature

Signature

Signature

Name

Name

Name

Title

Title

Title

Date

Date

Date

Telephone

Telephone

Telephone

Mail to: Board of Corrections, 600 Bercut Drive
Sacramento, California 95814-0185

Approval: _____ Date _____
Board of Corrections

Invoice

The MIOCRG invoice is in Excel format and can be found at the BOC website www.bdcrr.ca.gov.

APPENDIX F
California Board of Corrections (BOC)
Mentally III Offender Crime Reduction Grant Program (MIOCRG)
Form MIOCRG005: Semi-Annual Progress Report

All grantees must use this form in preparing their Semi-Annual Progress Reports, which are used by BOC staff to monitor contract compliance and identify areas for where counties may need technical assistance. **All projects must submit a file (by email) or diskette with the common data elements for the six-month reporting period in conjunction with this Semi-Annual Progress Report.**

A. GENERAL INFORMATION

County:
Contract Number:

Reporting Period:
Date Submitted:

B. PROJECT FISCAL OVERVIEW

1. Have all invoices due to date been submitted? If no, please explain why the invoices have not been completed and/or submitted to the BOC. Yes ☐ No ☐
2. Were any budget line item changes over 10% made during this reporting period? If yes, was a Budget Modification Form submitted to, and approved by, the BOC? Yes ☐ No ☐
3. Do you anticipate budget line item changes over 10% in the next reporting period? If yes, please explain. Yes ☐ No ☐
4. Is your project on track with projected expenditures of state grant funds? If no, please explain. Yes ☐ No ☐
5. Is your project on track with projected expenditures of county match funds? If no, please explain. Yes ☐ No ☐

C. PROJECT IMPLEMENTATION (Note: Counties with projects that have multiple programs must report the following information for each one.)

1. Is your project on track with its projected implementation timelines for key activities, including staffing, subcontracts, program site(s), community resource development (e.g., housing) and client enrollment? If not, explain what steps have been taken and/or are in progress to address the challenges/issues. Yes ☐ No ☐
2. What were your project's biggest challenges during this reporting period?
3. What were your project's biggest successes during this reporting period?
4. Please describe any program modifications made during this reporting period and any anticipated modifications during the next reporting period (i.e., changes from the original grant proposal).
5. Please describe any project staff changes made during this reporting period and any anticipated changes during the next reporting period.

APPENDIX F

D. PROGRAM EVALUATION (Counties with projects that have multiple programs must report the following information for each one.)

1. What is the number of participants you anticipated at this point in the project?
Treatment Group: _____ Comparison Group: _____
2. What is the actual number of individuals recruited into the program at this point in the project?
Treatment Group: _____ Comparison Group: _____
3. What is the actual number of participants currently in the treatment and comparison groups?
Treatment Group: _____ Comparison Group: _____
4. What is the actual number of individuals who have dropped out of the program?
Treatment Group: _____ Comparison Group: _____
5. How many individuals enter the system on a monthly basis who meet the criteria for inclusion in the treatment group (or in the pool from which treatment and comparison group members are selected)?
6. Are you experiencing any difficulty in collecting the required common data elements for the statewide evaluation of the MIOCRG program? If yes, please explain. Yes ☐ No ☐
7. Is the contractually required local evaluation of your project on track? If no, please explain what difficulties/challenges you are facing. Yes ☐ No ☐

Authorized County Signatures

Project Manager: _____

Project Fiscal Officer: _____

Project Researcher: _____

PLEASE MAIL ONE COPY OF THIS REPORT (WITH ORIGINAL SIGNATURES) TO THE BOARD OF CORRECTIONS, 600 BERCUT DRIVE, SACRAMENTO, CA 95814.

PLEASE REMEMBER THAT ALL PROJECTS MUST SUBMIT A FILE (BY EMAIL) OR DISKETTE CONTAINING THE COMMON DATA ELEMENTS FOR THE SIX-MONTH REPORTING PERIOD IN CONJUNCTION WITH THIS SEMI-ANNUAL PROGRESS REPORT.

APPENDIX G
BOARD OF CORRECTIONS
FACILITIES STANDARDS AND OPERATIONS DIVISION
00/01 MENTALLY ILL OFFENDER CRIME REDUCTION GRANT PROGRAM
MONITORING REPORT

County:

Contract Number:

Project Title:

Fiscal Manager:

Project Manager:

Date of Monitoring:

Field Representative:

Project Summary:

A. ADMINISTRATIVE REVIEW

1. Did the county purchase equipment with contract funds during the monitoring period?
☐ N/A ☐ Yes ☐ No

If yes, explain:

2. Does the county maintain time sheets on all staff charged to the contract? ☐ Yes ☐ No

Comments:

3. Are Semi-Annual Progress Reports/Final Summary Report and Quarterly Financial Invoices current?
☐ Yes ☐ No

If no, explain and describe the action to be taken:

4. Were there any substantial modifications made that were not reported and approved on form MIOCRG002? Substantial changes are those which affect the design or scope of the project; compliance with the agreed-upon program evaluation component; individual budget line item changes over 10% of the amounts indicated for the individual line items identified in Exhibit C; and other significant program delivery components addressed in the project application and as specifically identified in Exhibit C.
☐ Yes ☐ No

If yes, what has changed and what action should be taken:

5. Did the county budget contain administrative overhead? ☐ Yes ☐ No

If yes, did it exceed the 10% amount allowed: ☐ Yes ☐ No

If yes, what percent was charged and what is the suggested action to be taken:

APPENDIX G

6. If applicable, have subcontracts been awarded? ☐ Yes ☐ No

If yes, identify who the subcontractors are:

7. When did the MIOCRG Strategy Committee last meet?

Are agenda and/or minutes available for all meetings? ☐ Yes ☐ No

B. PROGRAM REVIEW

1. Does the county maintain source documentation (case records, files, sign-up sheets, etc.) for clients served? ☐ Yes ☐ No

If no, explain and describe the action to be taken:

2. Did the records reviewed provide sufficient detail to support information reported in the Semi-Annual Progress Reports? ☐ Yes ☐ No

If no, explain and describe the action to be taken:

3. Are all grant-funded positions, including match if applicable, filled and performing grant related duties? ☐ Yes ☐ No

If no, identify which position(s) have not been filled and why:

(Attach a listing of staff positions assigned to the grant.)

4. Is the county on schedule to meet its performance objectives as identified in Exhibit C? ☐ Yes ☐ No

If no, explain and describe the action to be taken:

5. Has the county experienced operational or service delivery problems? ☐ Yes ☐ No

If yes, explain and describe the action to be taken:

C. FISCAL REVIEW

1. Were contract funds used to supplant existing programs or personnel? ☐ Yes ☐ No

If yes, explain and describe the action to be taken:

2. Does the county maintain an official budget file for the project? ☐ Yes ☐ No

If no, explain and describe the action to be taken:

APPENDIX G

If yes, identify where the file is located and the name of the person responsible for maintaining the official budget file.

Location of the file:

Name of contact person:

Telephone:

3. Do fiscal accounting records appear to contain adequate supporting documentation?

☐ Yes ☐ No

If no, explain and describe the action to be taken:

4. Does the source documentation appear to support and verify amounts claimed for reimbursement and match?

☐ Yes ☐ No

If no, explain and describe the action to be taken:

5. Did the county purchase, with grant funds, any fixed assets over \$1,000 per item that were not specified in the contract or approved by the Board of Corrections?

☐ Yes ☐ No

If yes, explain and describe the action to be taken:

6. Do all expenditures meet contract eligibility?

☐ Yes ☐ No

If no, explain and describe the action to be taken:

7. Were grant funds used for construction of facilities?

☐ Yes ☐ No

If yes, explain and describe the action to be taken:

8. Were grant funds used to pay expenses prior to the contract term?

☐ Yes ☐ No

If yes, explain and describe the action to be taken:

9. Did the county lease any equipment that has not already been reported to the BOC?

☐ Yes ☐ No

If yes, identify the equipment:

10. Has the county budgeted for a final audit?

☐ N/A ☐ Yes ☐ No

If no, explain and describe the action to be taken:

11. Does the county appear to have adequate and documented internal controls (policy and procedures)?

☐ Yes ☐ No

If no, explain and describe the action to be taken:

D. PROGRAM EVALUATION

APPENDIX G

1. Is the project tracking data on a continuous basis? ☐ Yes ☐ No

If no, explain and describe the action to be taken:

2. Is the project having any problems gathering the common data elements? ☐ N/A ☐ Yes ☐ No

If yes, explain and describe the action to be taken:

3. Has the project experienced any problems with getting research subjects who fit the established criteria for program participation? ☐ Yes ☐ No

If yes, explain and describe the action to be taken:

4. Has the project experienced any problems with the random assignment procedures? ☐ N/A ☐ Yes ☐ No

5. Are all planned interventions on-line? ☐ Yes ☐ No

If no, explain and describe the action to be taken:

6. Is the project encountering any problems that will interfere with completion of the research as planned? ☐ Yes ☐ No

7. What types of data/information are you collecting beyond the scope of the evaluation/data requirements?

E. MONITORING RESULTS

- Has the county complied with BOC grant regulations? ☐ Yes ☐ No

If no, explain compliance findings:

If no, what corrective action is recommended to insure compliance with BOC requirements?

F. COMMENTS/OBSERVATIONS

G. ADDITIONAL INFORMATION/PROJECT HIGHLIGHTS

Board of Corrections Field Representative: _____

APPENDIX G

Reviewed and approved by: _____
Bill Crout, Deputy Director
Facilities Standards and Operations Division

Date Approved: _____

APPENDIX H

2000/01 MENTALLY ILL OFFENDER CRIME REDUCTION GRANT
STATEMENT OF INTEREST INCOME

County: _____

Grant Contract Number: _____

Grant Period: From _____ To _____

Interest income from 2000/01 Mentally Ill Offender Crime Reduction Grant funds, in the amount of _____, was earned during the grant period.

Please respond to one of the following:

1. The county is not requesting authorization from the Board of Corrections to use the interest income for program specific activities. Interest income and interest equal to the rate of the State Pooled Money Investment Account will be returned to the Board of Corrections within 90 days of the grant ending date.
_____ Yes
2. The county is requesting authorization from the Board of Corrections to use the interest income for program specific activities.
_____ Yes

If yes, please describe how these funds will be used:

Project Director

Date

Fiscal Officer

Date

C. Board of Corrections Use Only

The county request to use interest income, received from 00/01 MIOCRG grant funds, for program specific activities is _____Approved _____Denied

Field Representative

Date

APPENDIX I

2000/01 MENTALLY ILL OFFENDER CRIME REDUCTION GRANT **CERTIFICATION OF EQUIPMENT**

County_____ Grant Contract Number_____

Project Title_____

Project Address_____

Contact Person_____ Telephone Number_____

Grant Period_____ Date_____

I hereby certify the following *fixed assets purchased under the 2000/01 Mentally Ill Offender Crime Reduction grant contract will be used for criminal justice related activities or to further the original intent of the grant award.

TYPE OF EQUIPMENT	COST	DATE PURCHASED	SERIAL NUMBER
-------------------	------	----------------	---------------

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Project Director:_____ Date:_____

Fiscal Officer:_____ Date:_____

Field Representative:_____ Date:_____

Decision of Field Representative _____ Approved _____ Disapproved

*Applies to fixed assets, purchased with grant funds, exceeding \$1,000.

APPENDIX J

Final Audit Requirements

1. Responsibility

Within 120 calendar days of the contract expiration date, the county must obtain and submit a final audit to the Board. Extensions of the 120 day deadline should be requested in writing prior to the expiration of the contract. When the county is making its audit arrangements, advanced planning should be used to ensure the audit is started at project completion and completed within the required time frame. The county should also allow time for its response to any findings and audit recommendations before the report is sent to the Board.

Each audit shall consist of an examination of all state funds as well as all matching funds. The audit shall be performed in accordance with generally accepted auditing standards, as promulgated by the American Institute of Certified Public Accountants (AICPA), generally accepted governmental auditing standards, as promulgated by the Comptroller General of the United States, and the standards issued by the Board. The AICPA's Statements on Auditing Standards (SAS) No. 74, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance", provides further information and guidance when auditing a governmental entity's financial statements and determining compliance with laws, regulations, and contract requirements.

Audits should be performed under the direction of a certified public accountant or an independent county internal auditor satisfactory to the Board. If the county internal auditor performs the audit, the auditor must be organizationally independent from the county's accounting and project management functions. The county should assure that the personnel selected to perform the audit collectively have the necessary skills. It is important that a sound procurement practice be followed when contracting for audit services. Sound contract and approval procedures, including the monitoring of contract performance, should be in place. The objectives and scope of the audit should be made clear. In addition to price, other factors to be considered include: the responsiveness of the bidder to the request for proposal; the past experience of the bidder; availability of the bidder staff with professional qualifications and technical abilities; and whether the bidder organization participates in an external quality control review program. It should also be noted that these steps are important whether the county is hiring auditors from an outside CPA firm or within its own internal auditing unit.

Since the audit function must maintain organization independence, the county financial officer for this project, as cosigner to the grant contract, cannot perform audits of the grant contract-related activities. Additionally, internal county auditors who report to the financial officer, or to whom the financial officer reports, are cautioned not to perform the audit. The person conducting the audit shall be a public accountant or certified public accountant, unless the audit is completed by a county auditor. Failure to comply with these qualification standards could result in the rejection of the audit report by the Board.

Counties also have the option of meeting audit requirements through a Federal Single Audit. However, advance approval is required by the Board since the timing of the audit may impact the submission of the final audit within 120 calendar days of the contract expiration date. If the county decides to submit a Federal Single Audit report in order to satisfy the final audit requirement, the following items must be included in the report:

- a. A Statement of Grant Revenues and Expenditures specific to the grant.

APPENDIX J

- b. Supplemental Schedules: Schedule of Eligible Project Costs and Schedule of Disallowed or Questioned Costs
- c. A review of the match requirement including match type (i.e. Hard or In-Kind), and if the match requirement was met.
- d. A compliance review to ensure the required language is included in the subcontracts, separate records are maintained for grant related expenditures and disbursements, and budget modifications were completed as required by the contract.

In addition to the final audit, the Board may require a prepayment audit prior to the deposit of grant funds into a separate account to ensure that the county's accounting system meets generally accepted accounting principles.

The Board also reserves the right to call for an audit at any time between the execution of the grant contract and the completion or termination of the program.

2. Audit Scope

Audits must include, at a minimum, an examination of: the systems of internal control; systems established to ensure compliance with laws and regulations affecting the expenditures of state funds; financial transactions and accounts; and the county's process for the submission of contractor billings as well as billings the contractor has submitted to the county for performance of program tasks. These examinations are to determine whether:

- a. There is effective control over and proper accounting for expenditures, assets, and liabilities;
- b. The periodic financial statements are fairly stated in all material respects;
- c. State funds and county hard and/or in-kind match funds were expended in accordance with the terms and scope of the contract and those provisions of state law and regulations that could have a material effect on the financial statements;
- d. State and county hard and/or in-kind match funds were expended in accordance with the terms of the project related contracts between the county and third parties, and that the terms and scope of those third-party contracts complied with provisions of the county's contract with the Board;
- e. In order to accomplish (c) above, a representative number of charges to state funds and county match shall be tested. The test shall be representative of all cost categories in the county's contract. The test is to determine whether the charges:
 - conform to any limitations or exclusions in the award of state funds;
 - included only eligible charges and did not include costs properly chargeable to other programs or accounts;
 - were properly recorded (i.e., correct amount, date) and supported by source documentation; and
 - were approved in advance, if they involved a modification subject to prior approval in accordance with the BOC Grant Contract Standard Conditions.
- f. the audit shall also identify any program-related claims by or against the county pending at the time the audit is conducted.

APPENDIX J

3. Testing

A sufficient number of items should be selected for review, which represent all material cost categories in the county's contract and adequately support the auditor's opinion on the county's Statement of Grant Revenues and Expenditures, internal controls, and compliance with laws, regulations, and contract requirements. The audit should determine whether:

- a. County internal controls over the program are effective and working as intended;
- b. Reported program expenditures are allowable;
- c. Reported expenditures conform to funding or program limitations or exclusions;
- d. Reported expenditures are not charged to (or reimbursed by) other programs or funding sources;
- e. Transactions are properly approved, reported, and supported by source documentation;
- f. Reported expenditures were incurred within the appropriate period; and
- g. County complied with applicable laws, regulations, and contract requirements.

4. Financial Statement of Grant Revenues and Expenditures

The financial statement that will be included in the audit report is called the *Statement of Grant Revenues and Expenditures*. The *Statement of Grant Revenues and Expenditures* presents the audited program revenues and expenditures and the county's matching expenditures (if applicable). Although only the amounts reported by the county are required to be audited, the auditor should identify all program revenues and expenditures for propriety.

Refer to Exhibit E (*if applicable*) for an example.

5. Notes to the Statement of Grant Revenues and Expenditures

The *Notes to the Statement of Grant Revenues and Expenditures* should include sufficient information to assure fair financial statement presentation and adequate disclosure. The notes include, but are not limited to:

- a. Description of the county's reporting structure;
- b. General program information;
- c. Description of grant;
- d. Basis of financial statement presentation;
- e. Basis of accounting and other significant accounting policies;
- f. Pending litigation;
- g. Matching fund requirements;
- h. Ineligible material program costs; and
- i. Other funding sources.

Note: The above list is not meant to be inclusive and may not apply to all audits.

6. Supplemental Information

APPENDIX J

Supplemental information to the Statement of Grant Revenues and Expenditures includes the following schedules to highlight specific areas of the county's grant activity:

- a. Matching fund requirements;
- b. Contract budget and actual costs (by budget category);
- c. Eligible project costs (by budget category); and
- d. Recommended disallowed costs

Note: Refer to Exhibits F through I (*if applicable*) for examples.

7. Audit Certification

The audit report to the Board should contain:

- a. A description of the statements examined and the period covered; and
- b. An opinion as to whether all audit scope criteria have been met satisfactorily by the county. If an unqualified opinion cannot be expressed, state the nature of the qualification, reservation, or exception.

8. County Specific Requirements (if appropriate)

The audit report to the Board should contain any county-specific requirements not aforementioned.

9. Audit Findings and Recommendations

The auditor shall advise the county of any findings and recommendations. The final audit report shall be sent to the Board of Supervisors of the county and shall incorporate the county's response and plans for corrective actions to any auditor findings and recommendations. Four copies of the final audit report, including management letters and corrective action plans (if applicable), must be filed with the Board no later than 120 calendar days after completion of the program.

Audit findings and recommendations shall be explained in sufficient detail to enable the reader to understand both the condition (showing cause and effect) and the criteria of the weakness or condition of noncompliance. The recommendation should relate to the specific cause of the finding.

County management is responsible for corrective action and follow-up on all audit findings. A corrective action plan for each finding and recommendation must be prepared by the county (within ten days after notification of the findings) and submitted to the Board as part of the final audit report. The corrective action plan must include: a) description of each finding and recommendation; b) specific steps taken to remedy the finding or implement the recommendation; c) timetable for performance of each corrective action; and d) description of monitoring to be performed, and who will perform it to ensure implementation of each corrective action.

10. Review of Audit Reports – Release of Withholding of Disbursement

The Board has the responsibility of conducting desk reviews of the audit report(s) to determine whether the report is in conformance with the provisions of this manual. Conformance problems are judged for materiality in relation to the audit report(s) being reviewed. Reports with major reporting problems or a significant number of minor problems will be rejected.

APPENDIX J

After review of each audit report, the Board will mail written notification of the desk review results to the County and the auditor. For reports that are not accepted, notification letters will include a brief description of each deficiency. The auditor is required to make necessary corrections and submit the revisions promptly. The Board will assist in all efforts to correct report deficiencies so that an acceptable report is filed. Auditors and counties are encouraged to contact their assigned Board field representative if they have any questions.

As indicated in the contract requirements section of this manual, at such time as the balance of grant funds allocated to the county reaches 10 percent (10%), the Board shall withhold that amount as security, to be released to the county upon complying with all contract provisions.

Upon review of the results of the final audit report and corrective action plan (if any), under normal conditions, if the requirements in the above paragraph are met and there are no internal control findings, questioned costs or ineligible expenditure findings, the Board will release the final 10 percent (10%) of grant funds to the county and close out the program and contract. If there are questioned costs or ineligible grant or match expenditures, the Board will contact the county to resolve prior to the release of any funds withheld.

The Board may disallow (deny both use of grant funds and any applicable matching credit for) all or part of the cost of the activity or action determined to be ineligible and not in compliance with the terms and conditions of the grant contract. If this occurs, the Board will deduct ineligible grant expenditures from the amount withheld and release the balance to the county. If ineligible grant expenditures exceed 10 percent (10%) withheld, the Board will request necessary repayment or take other remedies legally available.

11. Retention of Records

The counties should include the following provisions in their contracts for outside audits:

The Board, the Department of General Services, the Department of Finance, or their designated representatives shall be granted access to audit working papers prepared by the auditor and shall be retained for a minimum of three (3) years from the date of the audit report unless the auditor is notified in writing by the Board to extend the retention period.

Additionally, audit work papers prepared by the county's internal audit department need to be retained for a minimum of three (3) years from the date of the audit report unless the auditor's office is notified in writing by the Board to extend the retention period.

EXHIBIT A	INDEPENDENT AUDITOR'S REPORT (SINGLE AUDIT)
EXHIBIT B	INDEPENDENT AUDITOR'S REPORT (SPECIAL REPORT)
EXHIBIT C	INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
EXHIBIT D	INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS, REGULATIONS AND GRANT CONTRACT REQUIREMENTS

(INDEPENDENT AUDITOR'S LETTERHEAD)

Board of Supervisors
Y County
1 000 X Street
Y, CA 12345

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying _____
of Y County for the period _____ through _____. These statements are the
responsibility of the Y County management. Our responsibility is to express an opinion on these
financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government
Auditing Standards, issued by the Comptroller General of the United States. Those standards
require that we plan and perform the audit to obtain reasonable assurance about whether the
financial statements are free of material misstatement. An audit includes examining, on a test basis,
evidence supporting the amounts and disclosures in the financial statements. An audit also includes
assessing the accounting principles used and significant estimates made by management, as well as
evaluating the overall financial statement presentation. We believe that our audit provides a
reasonable basis for our opinion.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the
_____ of Y county for the period _____ through _____
in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements
taken as a whole. The supplemental schedules are presented for purposes of additional analysis and
are not a required part of the basic financial statements. Such information has been subjected to the
auditing procedures applied in the audit of the basic financial statements and, in our opinion, is
fairly stated in all material respects in relation to the basic financial statements taken as a whole.

AUDITOR'S SIGNATURE: _____

DATE: _____

(INDEPENDENT AUDITOR'S LETTERHEAD)

Board of Supervisors
Y County
1 000 X Street
Y, CA 12345

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying Statement of Grant Revenue and Expenditures of Y County in accordance with the State of California's Board of Corrections' Mentally Ill Offender Crime Reduction Grant Contract No. _____ for the period _____ through _____. This statement is the responsibility of the Y County management. Our responsibility is to express an opinion on the Statement of Grant Revenue and Expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement of Grant Revenue and Expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement of Grant Revenue and Expenditures was prepared for the purpose of complying with the audit requirements of the State of California's Board of Corrections' Mentally Ill Offender Crime Reduction Grant Contract No. _____ as described in Note 1 and is not intended to be a complete presentation of the County's revenues and expenditures.

In our opinion, the Statement of Grant Revenue and Expenditures referred to above presents fairly, in all material respects, the grant revenues and expenditures of Y County in accordance with the State of California's Board of Corrections' Mentally Ill Offender Crime Reduction Grant Contract No. ____ for the period _____ through _____ in conformity with generally accepted accounting principles. In accordance with Government Auditing Standards, we have also issued a report dated _____ on our consideration of the County's internal controls, and a report dated _____ on the compliance with applicable laws, regulations and grant contract requirements.

Our audit was conducted for the purpose of forming an opinion on the Statement of Grant Revenues and Expenditures taken as a whole. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the Statement of Grant Revenue and Expenditures. Such information has been subjected to the auditing procedures applied in the audit of the Statement of Grant Revenue and Expenditures and, in our opinion, is fairly stated in all material respects in relation to the Statement of Grant Revenue and Expenditures taken as a whole.

This report is intended for the information and use of the management of Y County and the State of California's Board of Corrections. However, this report is a matter of public record and its distribution is not limited.

AUDITOR'S SIGNATURE: _____ DATE: _____

(INDEPENDENT AUDITOR'S LETTERHEAD)

Board of Supervisors
Y County
1 000 X Street
Y, CA 12345

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE

We have audited the Statement of Grant Revenues and Expenditures of Y County in accordance with the State of California's Board of Corrections' Mentally Ill Offender Crime Reduction Grant Contract No. _____ for the period through _____, and have issued our report thereon dated _____.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Controller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the Statement of Grant Revenue and Expenditures is free of material misstatement.

County management is responsible for establishing and maintaining internal controls. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in internal controls, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the controls to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the county's statement of Grant Revenues and Expenditures in accordance with the State of California's Board of Corrections' Mentally Ill Offender Crime Reduction Grant Contract No. _____ for the period _____ through _____, we obtained an understanding of the county's internal controls. This understanding included the design of revenue policies and procedures, and whether they have been placed in operation; furthermore, we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide an opinion on the internal controls. Accordingly, we do not express such an opinion.

Our consideration of the internal controls would not necessarily disclose all matters that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal controls and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the County's management and the California Board of Corrections. However, this report is a matter of public record and its distribution is not limited.

AUDITOR'S SIGNATURE: _____

DATE: _____

EXHIBIT D

(INDEPENDENT AUDITOR'S LETTERHEAD)

William J. Crout, Deputy Director
Corrections Planning and Programs Division
California Board of Corrections
600 Bercut Drive
Sacramento, CA 95814

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS,
REGULATIONS AND CONTRACT REQUIREMENTS**

We have audited the Statement of Grant Revenues and Expenditures of Y County in accordance with the State of California's Board of Corrections' Mentally Ill Offender Crime Reduction Grant Contract No. _____ for the period _____ through _____, and have issued our report thereon dated _____.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement of Grant Revenues and Expenditures is free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the County is the responsibility of Y County's management. As part of obtaining reasonable assurance as to whether the financial statement is free of material misstatement, we performed tests of County compliance with certain provisions of laws, regulations, grant contract requirements. However, the objective of our audit of the Statement of Grant Revenue and Expenditures was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the County complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the County had not complied, in all material respects, with those provisions.

AUDITOR'S SIGNATURE: _____

DATE: _____

ILLUSTRATIVE FINANCIAL STATEMENT AND SCHEDULES

The following illustrations of schedules are intended for information purposes to provide general assistance to the auditor. They represent the minimum financial information, which must be included in the audit report. The format and layout of these schedules are optional. However, the information included in the schedules is required. If a schedule is non-applicable, the auditor should indicate this in the audit report. The illustrations that follow are not intended to be all inclusive. The auditor performing the audit should make professional judgments and determinations of any additional information, which should be included in the report.

Basic Financial Statement

EXHIBIT E - STATEMENT OF GRANT REVENUES AND EXPENDITURES

Supplemental Information

EXHIBIT F - SCHEDULE OF MATCHING FUND REQUIREMENTS

EXHIBIT G - SCHEDULE OF CONTRACT TO ACTUAL COSTS, BUDGET TO ACTUAL

EXHIBIT H - SCHEDULE OF ELIGIBLE PROJECT COSTS

EXHIBIT I - SCHEDULE OF RECOMMENDED DISALLOWED COSTS

EXHIBIT J – AUDIT CHECKLIST

The BOC, in conjunction with the State of California Department of Finance, Office of the State Audits and Evaluations, developed an audit checklist to help counties prepare for an audit. Counties are encouraged to review this checklist to ensure adequate financial procedures are in place to meet BOC auditing requirements and standards.

Y COUNTY
2000/01 MENTALLY ILL OFFENDER CRIME REDUCTION GRANT
STATEMENT OF GRANT REVENUES AND EXPENDITURES

GRANT PERIOD: FROM _____ TO _____

Revenues:

\$ _____

\$ _____

\$ _____

\$ _____

Total Revenues:

\$ _____

Expenditures:

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

Total Expenditures:

\$ _____

Excess of Revenues over Expenditures:

\$ _____

The accompanying notes are an integral part of this statement

EXHIBIT F

COUNTY NAME: _____

2000/01 MENTALLY ILL OFFENDER CRIME REDUCTION GRANT
SCHEDULE OF MATCHING FUND REQUIREMENTS

GRANT PERIOD: FROM _____ TO _____

	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>
Y County			
In-Kind Match (List by Category from Contract)	\$ _____	\$ _____	_____
Cash Match (List by Category from Contract)	\$ _____	\$ _____	_____
Total Matching Funds	(_____)		
State of California Total State Funds	\$ _____	\$ _____	_____
Total Costs	\$ _____	\$ _____	<u>100%</u>

EXHIBIT G

COUNTY NAME: _____

2000/01 MENTALLY ILL OFFENDER CRIME REDUCTION GRANT
SCHEDULE OF CONTRACT TO ACTUAL COSTS (BUDGET TO ACTUAL)

GRANT PERIOD: From: _____ To: _____

<u>Budget Line Item</u>	<u>D. Budget</u>	<u>Expenditures</u>	<u>(Over)/Under</u>
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
TOTAL:	\$ _____	\$ _____	\$ _____

EXHIBIT H

COUNTY NAME_____

2000/01 MENTALLY ILL OFFENDER CRIME REDUCTION GRANT
SCHEDULE OF ELIGIBLE PROJECT COSTS

GRANT PERIOD: FROM_____ TO_____

Budget Line Item	COSTS CLAIMED FOR				Total
	State Costs Claimed	Cash Match	In-Kind Match	Other Costs	
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL:	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

COUNTY NAME _____

2000/01 MENTALLY ILL OFFENDER CRIME REDUCTION GRANT
SCHEDULE OF RECOMMENDED DISALLOWED COSTS (STATE FUNDS)

GRANT PERIOD: FROM _____

TO _____

BUDGET LINE ITEM	TOTAL COSTS CLAIMED	COSTS ACCEPTED	RECOMMENDED DISALLOWANCES
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
TOTAL:	\$ _____	\$ _____	\$ _____

BOARD OF CORRECTIONS
00/01 MENTALLY ILL OFFENDER CRIME REDUCTION GRANT
AUDIT DOCUMENTATION CHECKLIST

County Name: _____

Contract No.: _____

Contract Period: _____

Project Name: _____

Contract Amount: _____

Project Financial Officer: _____

Project Manager: _____

Checklist completed by: _____ Date: _____

The purpose of this checklist is to assist counties in determining if they are maintaining an adequate audit trail in the event of an audit. The checklist is based on the following: (1) generally accepted auditing standards, (2) *Government Auditing Standards*, and (3) *Mentally Ill Offender Crime Reduction Grant (MIOCRG) Contract Administration Policies and Procedures Manual for Counties*.

Because each contract is slightly different, this checklist is merely a guide that covers general audit areas. All questions in the checklist have been designed to show a "YES" or "N/A" for favorable responses. **(Reminder: All "N/A" responses require an explanation.)** All "NO" responses identify situations that require research or clarification since the audit trail or records could be improved upon. However, judgment should be used in answering each question since each audit trail is different. Overall, documentation shall be maintained in such detail so as to provide an audit trail that will permit tracing transactions from the invoices to the financial statements, to the accounting records, and to the supporting documentation.

TOP FIVE AUDIT FINDINGS

1. Inadequate supporting documentation for match claimed – Volunteer time and Salaries
2. Inadequate supporting documentation for match claimed – Office space
3. Inadequate supporting documentation maintained by subcontractors
4. Omission of required language in subcontracts
5. Late submittal of Quarterly Invoices

References:

Mentally Ill Offender Crime Reduction Grant Contract Administration Policies and Procedures Manual for Counties, June 2000

AICPA Audit and Accounting Guide, Audits of State and Local Governmental Units, May 1999

Generally accepted auditing standards

Government Auditing Standards, May 1999

Revised 12/4/00

A. INTERNAL CONTROLS	Yes	No
1. Does the County have an organizational chart for each department involved with the grant?		
a. Accounting Department?	_____	_____
b. Auditor-Controller's Department?	_____	_____
c. Sheriff's Department?	_____	_____
d. Probation Department?	_____	_____
e. Mental Health Department?	_____	_____
f. Other?	_____	_____
2. Has the County determined adequate separation of duties exist among the Accounting, Auditor-Controller's, Probation, Sheriff's, and Mental Health Departments?	_____	_____
a. Are transactions received, approved and posted by more than one employee for any one transaction? (Separation of duties issue – no more than one employee may perform any of the above tasks.)	_____	_____
3. Does the County maintain duty statements for all employees involved with the grant?	_____	_____
4. Does the County maintain written internal control procedures and flowcharts for the following procedures:		
a. Contract receipts and deposits?	_____	_____
b. Contract disbursements?	_____	_____
c. Board of Corrections invoices, including methodology of computing amount billed to Board?	_____	_____
5. Does the County have audit reports covering the County's internal control structure within the last two years?	_____	_____
a. Have the findings (if applicable) been reviewed to ensure they are not related to the grant?	_____	_____
B. CONTRACTS	Yes	No
1. Does the County have the original contract between the County and the Board?	_____	_____

2. Does the County ensure that staff involved with the grant read the contract between the County and the Board? _____
3. Does the staff involved with the grant keep a copy of the grant contract as a reference? _____
4. Did the County submit any contract amendments to the Board? _____
 - a. If so, does the County maintain copies of the contract amendments and adequate supporting documentation for the reason a contract amendment was requested? _____
5. Did the County submit any budget modifications? _____
 - a. If not, did the County incur any substantial changes –those items affecting the design or scope, compliance, changes to budget line items **greater** than 10%, or significant program components that would require a budget modification? _____
 - b. Has the County incurred any minor changes – those items affecting changes in personnel, dates and times of service delivery or changes to budget line items **less** than 10%? _____
 - c. If so, does the County submit the minor change modifications with the next regularly scheduled financial invoice (not required to be pre-approved by Board)? _____
 - d. Is the County’s “Administrative Overhead” in line with the ten (10%) requirement? In no event will changes be authorized for the “Administrative Overhead” line item which would cause state funds in that line item to exceed ten (10%) of the grant award. _____
 - e. Does the County maintain copies of the budget modifications and adequate supporting documentation to support budget modifications? _____
6. Does the County maintain or have access to the original subcontractor contracts properly executed by the appropriate parties? _____

7. Upon awarding a grant contract to a public or private contractor, does the County advise the Board of the award and supply a copy of the contract and any such information and documentation relevant to the project to the Board? _____
8. Do the subcontractor contracts contain the required language (Refer to Exhibit A of contract)? _____
 - a. Maintenance of books and records? _____
 - b. Access to books and records? _____
 - c. Non-Discrimination clause? _____
 - d. Access to project staff and facilities? _____
 - e. Applicable Insurance (fire, worker's compensation, and liability)? _____

C. ACCOUNTING RECORDS	Yes	No
1. Does the County have an official project file that includes ALL the documents and correspondence related to the grant?	_____	_____
2. Has the County established separate accounts to record funds received by the County that clearly identifies they are for the grant?	_____	_____
3. Is the County required to have a Federal Single Audit conducted?	_____	_____
a. If so, does the County have copies of the Federal Single Audit Report for the last two fiscal years?	_____	_____
b. Have the findings (if applicable) been reviewed to ensure they are not related to the grant?	_____	_____
4. Does the County maintain a project costing system or a system that tracks all the receipts and disbursements related to a specific grant?	_____	_____
a. If so, is the system's monthly printout reviewed by program (grant) staff?	_____	_____
b. Are discrepancies (if any) investigated and resolved?	_____	_____

D. INVOICES	Yes	No
1. Does the County have copies of the reimbursement requests forwarded to the Board?	_____	_____
2. Does the County maintain adequate supporting documentation for all disbursements claimed on the Board invoices, such as vendor invoices or payroll reports and timesheets?	_____	_____
a. Can the supporting documentation be easily tied back to the Board invoices? (Are vendor invoices coded/identified by line item?)	_____	_____
b. Does each line item from the Board invoice have a supporting calculation? (Is it determinable how the number was calculated?)	_____	_____
<i>NOTE: Budget line items will be randomly selected from invoices and tested at each respective section.</i>		
3. Does the County submit quarterly financial invoices within 45 calendar days after the end of the fiscal quarter?	_____	_____
a. Are the quarterly fiscal invoices properly authorized?	_____	_____
b. Is the County requesting reimbursement for only eligible project costs? (Refer to audit guide or contract for eligible project costs)	_____	_____
4. Does the County submit semi-annual progress reports according to the schedule in the contract (every March 15 and September 15 th through the life of the contract)?	_____	_____

E. CASH DOCUMENTS	Yes	No
1. Does the County maintain receipts documenting payments received from the Board?	_____	_____
2. Does the County maintain deposit slips to document deposit of the payments received from the Board?	_____	_____

3. Does the County deposit Board payments timely (within a week)? _____
4. Can the County provide cancelled checks or disbursement documents documenting the payments made to the vendors or employees? _____
5. Can the County provide bank statements documenting the deposit of the receipts from the Board and the vendor disbursements clearing the bank? _____
6. Can the County provide general ledgers documenting the entries for cash receipts and cash disbursements? _____

F. HARD/IN-KIND MATCH RECORDS	Yes	No
1. Is the County expending match funds for only eligible project costs? (Refer to the contract administration or audit guide for list of eligible project costs.)	_____	_____
2. Is the County expending match funds according to the schedule in the contract (25% by June 30 th of each year)?	_____	_____
3. Does the County maintain adequate documentation to support match expenditures claimed on the Board invoices, such as vendor invoices or payroll reports and timesheets?	_____	_____
a. Can the supporting match documents be easily tied back to the Board invoices? (Are vendor invoices coded/identified by line item?)	_____	_____
b. Does each match line item from the Board invoice have supporting calculation? (Is it determinable how the number was calculated?)	_____	_____
4. Does the County maintain separate files/records for match funds?	_____	_____
a. If so, does the County files/records for the match tie back to the Board invoices?	_____	_____

5. To qualify as match, expenditures must be for the project funded by the Board and must be made after July 1, 1999 for the first round of MIOCRG funding, July 1, 2001 for second round funding. If applicable, has the County ensured they have not used match funds they expended prior to that date? _____
6. Does the County verify that match funds are not also claimed/reimbursed under another separate contract or grant? (Is double reimbursement of expenditures avoided?) _____

G. SALARIES AND BENEFITS

Yes No

1. Does the County maintain payroll records for county staff involved with the MIOCRG program? _____
- a. Official timesheets for grant related employees (full-time and part-time)? _____
- b. Salary Rates per Personnel records for grant related employees (full-time and part-time)? _____
- c. Time allocation for part-time employees - actual hours worked (i.e. time logs)? (**Reminder:** estimates and approximate percentages are not acceptable for salaries.) _____
2. If the benefits amount is based on an allocation percentage of actual hours worked (salary calculation), is the benefits amount reasonable? _____
3. Can the supporting payroll and benefits records be easily tied back to the salaries and benefits line item on the Board invoices? (Is it determinable how the number was calculated?) _____
- a. Randomly select an invoice and agree salaries and benefit amount billed to supporting documentation. Does amount agree with amount invoiced? _____
4. If employees authorized to work on contract is amended, are the employees revisions necessary for the direct delivery of services associated with the program? _____

5. Does the County verify that salaries and benefits are not also claimed/reimbursed under another separate contract or grant? (Is double reimbursement of expenditures avoided?)

H. SERVICES AND SUPPLIES

Yes

No

1. Does the County maintain copies of approved purchase orders or approved expenditure requests?

2. Does the County maintain adequate proof of receipt, vendor invoices or signed receipts?

3. Can the supporting service and supplies records be easily tied back to the line item on the Board invoices? (Is it determinable how the number was calculated?)

- a. Randomly select an invoice and agree services and supplies amount billed to supporting documentation. Does amount agree with amount invoiced?

4. Does the County verify that services and supplies are not also claimed/reimbursed under another separate contract or grant? (Is double reimbursement of expenditures avoided?)

I. TRAVEL/PER DIEM

Yes

No

1. Does the County maintain County Travel Policies in accordance with state contract guidelines?

2. Does the County maintain current Per Diem rates in accordance with state contract guidelines?

3. Does the County maintain documentation to support purpose and cost of travel associated with program? (Applies to both reimbursable costs and match costs)

4. Does the County ensure they are requesting reimbursement for only in-state travel?

- | | | |
|--|-------|-------|
| 5. Can the supporting travel/per diem records be easily tied back to the line item on the Board invoices? (Is it determinable how the number was calculated?) | _____ | _____ |
| a. Randomly select an invoice and agree travel/per diem amount billed to supporting documentation. Does amount agree with amount invoiced? | _____ | _____ |
| 6. Does the County verify that travel/per diem is not also claimed/reimbursed under another separate contract or grant? (Is double reimbursement of expenditures avoided?) | _____ | _____ |

J. PROFESSIONAL SERVICES	Yes	No
---------------------------------	------------	-----------

- | | | |
|---|-------|-------|
| 1. Does the County verify that the rates charged comply with the contract? | _____ | _____ |
| 2. Does the County maintain evidence that the services were provided? | _____ | _____ |
| 3. Can the supporting professional services records be easily tied back to the line item on the Board invoices? (Is it determinable how the number was calculated?) | _____ | _____ |
| a. Randomly select an invoice and agree professional services amount billed to supporting documentation. Does amount agree with amount invoiced? | _____ | _____ |
| 4. Does the County verify that professional services are not also claimed/reimbursed under another separate contract or grant? (Is double reimbursement of expenditures avoided?) | _____ | _____ |

K. COMMUNITY-BASED ORGANIZATIONS	Yes	No
---	------------	-----------

- | | | |
|--|-------|-------|
| 1. Does the County maintain an approved contract with the Community Based Organizations (CBO's)? | _____ | _____ |
| 2. Do the rates charged by the CBO comply with the contract terms? | _____ | _____ |
| 3. Does the County maintain evidence that the services were provided by the third party (CBO)? | _____ | _____ |
| 4. Can the supporting CBO records be easily tied back to the line item on the Board invoices? (Is it determinable how the number was calculated?). | _____ | _____ |

- a. Randomly select an invoice and agree CBO charges billed to supporting documentation. Does amount agree with amount invoiced? **NOTE:** CBO is not required to provide the County copies of its supporting documentation. However, County is liable if proper documentation is not maintained.

5. Does the County verify that CBO charges are not also claimed/reimbursed under another separate contract or grant? (Is double reimbursement of expenditures avoided?)

L. ADMINISTRATIVE OVERHEAD

Yes

No

1. Does the County maintain supporting documentation or the calculation overview for the administrative overhead line item?
2. If the supporting documentation is based on the allocation method, is the amount reasonable?
3. Is the overhead percentage limited to 10% of the grant award?

M. FIXED ASSETS

Yes

No

1. Does the County maintain an inventory system that tracks the fixed assets purchased with state funds?
2. Are County fixed assets purchased necessary for the delivery of services directly associated with the program?
3. Are the fixed assets purchased with State Funds clearly labeled as state assets? At end of contract, State may request the assets to be returned.
4. Are the fixed assets safeguarded from loss or theft?

Comments/Explanations: